

May 6, 2002

Council Meeting of
May 14, 2002

Agenda Item: 27

Ms Pat Kost
City Council Clerk
City of Lynchburg
P. O. Box 60
Lynchburg, Virginia 24505

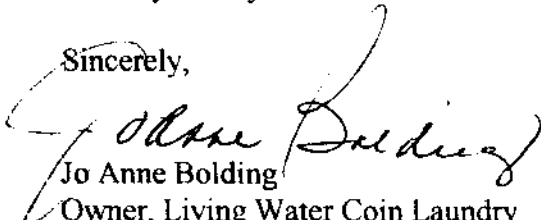
Dear Ms. Kost:

Please consider this letter my formal request to appear before the Lynchburg City Council at the next scheduled Council Meeting. I understand that meeting to be held May 14th at 7:30 p.m. The matter concerns the issue with water consumption for Living Water Coin Laundry. I had deferred my original request of February to appear before the Council in lieu of meeting with Mr. Payne and members of the Water Department staff in hopes that we could resolve this problem. However, no resolution has been forthcoming. As of this writing, I had requested copies of the two flow-meter readings that were performed in February and still have not received them. They were promised to be mailed to me.

Enclosed is correspondence regarding this issue. I believe the letters clearly explain the problem.

Thank you very much.

Sincerely,


Jo Anne Bolding
Owner, Living Water Coin Laundry
2519 Memorial Ave.
434-528-2771

RECEIVED

MAY 07 2002

**COUNCIL/MANAGER
OFFICES**



The City of Lynchburg, Virginia

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OFFICE OF THE
CITY MANAGER

April 18, 2002

Ms. Jo Anne Bolding
2519 Memorial Avenue
Lynchburg, VA 24501

Dear Ms. Bolding:

This is in reply to your letter of April 1, 2002 seeking a response to your earlier letter of February 17. I did not respond because I did not think that a response was necessary. I merely thought that you were restating your position as outlined during our discussion on January 29.

It is my understanding that we finally did get a week of good flow data at the laundry and that it indicated that the meter is accurate. Furthermore, there seems to be an intermittent leak or other consumption of water during hours that the laundry is closed. Have you used the dye tablets to see if you have a leaky toilet?

At this point, there is no relief that I can offer to you. I understand your frustration over the costs of water and sewer service but we are convinced that the consumption data recorded by the City's meter is accurate. Therefore, we have no basis on which to provide either a refund or an adjustment on future bills.

Sincerely,

L. Kimball Payne, III
City Manager

cc: Lynn Watson, Billing and Collections
Joe Dawson, Utilities



International
City
Management
Association

May 5, 2002

Mr. Kim Payne
City Manager
City of Lynchburg
P. O. Box 60
Lynchburg, Virginia 24505

Dear Mr. Payne:

I have not received a response to my letter dated February 17, 2002 regarding water consumption and what I believe to be over billings for Living Water Coin Laundry. I understand your busy schedule with budgets, but I do look forward to hearing from you very soon.

Thanking you in advance for help in this matter.

Sincerely,

Jo Anne Bolding

February 17, 2002

Dear Mr. Payne:

Re: 2519 Memorial Ave. Living Water Coin Laundry Laundromat

First, thank you and your staff for taking time out of your busy schedules to meet and discuss the water consumption problem with me. The result of the meeting was that this is a "mystery." Some actions offered were: 1). Perform a second flow meter test; this time for seven days. The first flow meter test was 4 days. I believe this test is performed to validate the meter and to detect any water flow during closed hours. The instrument has the ability to register time of water flow as well as consumption. 2). Change out the existing meter. I agreed with your recommendation not to do this at this time. 3). Calibrate the existing meter.

It is my understanding that the flow meter test began Friday, February 1 and will extend through February 7, 2002.

Mr. Payne, I reiterated my belief that I have been billed too much consumption over an extended period of time, perhaps as far back as 1995. The facts (numbers) clearly indicate that the consumption for 1999, 2000 and 2001 are too high. The facts are:

1. I contacted the City Water Department in August, 1995 and checked the billed consumption of my competitors. I discovered that Living Water, having been opened only 10 months had the second highest consumption behind Hills Plaza (Ames) [which is 3 times the size of Living Water and] the largest laundromat in the city. This caused concern. People in this industry don't change habits quickly. The laundromats checked had been in business 26 - 10 years at that time. If Living Water with a small machine configuration [in comparison] could rise to #2 in 10 months, quite frankly, I would be retired by now.

2. I have been watching ALL utility bills closely. One reason is, this laundromat is a pilot store. One of many. I need to be able to show operators how to monitor usage and to be proactive in managing expenses. So, every month, I match the revenue to the utility bills. I have contacted the Water Department each time when I received bills that were out of line. They have either re-read the meter or checked for a leak. Your records will indicate, a leak(s) could not be found.

3. Since 1997, with the sharp reduction in revenue - business - the problem has become more pronounced and therefore easier to detect. When the anchor store closed, other tenants moved out of the shopping center, the impact was a loss of 25% of washer revenue. At that time there were no other profit centers in the laundromat. In August, 1997 prepared food was added to increase revenue. El Cabritos contributed about \$7,000 in 1997, \$28,000 in 1998 and \$7,000 in 1999 before closing in May, 1999. Living Water became a drop station for Drycleaning from 1998 to January 2001. These businesses had no impact on water usage.

4. Self-service business continued to decline. In 1999, the consumption problem became a "bull-horn." In 2000 consumption increased by 134 units when business decreased another 6.25%.

5. In 2001 consumption continued to increase by another 21 units. I was forced to implement a .25 4th quarter price increase.. It does not touch the rate of increase of the billings. ***In order to break even with the consumption at the present level of business, the wash price \$2.75 is required.*** The highest tolerable wash price in central Virginia is 1.50 for a topload wash.

6. Examining the bills, I find consumption too high in months of July or August and December. I close 1 week for vacation every year during these months.

7. Attached are billings that I have calculated are too high. There are more, but these are the ones that are a red flag!

I want to reiterate, that the problem I have is with the consumption. I thank you again for your time and I trust this problem will be resolved.

Sincerely,

Jo Anne Bolding



Water usage in question based on Actual Revenue and Consumption

2001 Period	Billed Cons	Turns	Days	Washer Revenue	Revenue Consumption	Billing Adj	(Under/ Overbilled)
12/08-1/11	131	43	33	1,015	53	261.27	382.84
1/11-2/9	122		29	1,468	61	309.30	291.43
2/9-3/13	135	56	32	1,675	69	349.38	248.94
3/13-4/10	122	50	28	1,428	59	299.28	301.45
4/10-5/10	133	55	30	1,631	68	340.68	313.07
5/19-6/12	147	55	33	1,453	60	304.29	416.94*
6/12-7/11	113	55	29	1,618	67	339.36	242.25
7/11-8/10	109	62	30	1,860	77	389.46	171.99
8/10-9/13	88	80	34	2,493	99	499.68	(44.07)
Total							\$2,368.91 \$2,324.84

2000

1/11-2/11	112	77	31	2,138	96	net difference = 16
2/11-3/10	125	91	28	2,733	113	net difference = 12
5/8-6/12	134	97	35	3,770	120	net difference = 14
6/12-7/13	134	83	35	3,241	103	net difference = 31
10/11-11/13	124	72	33	2,832	89	net difference= 35
Total units = 78						\$336.37

1996

2/11-3/15	357	255	—	9,706	316	net difference = 41
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1995

12/8-1/11	235	132	—	5,149	164	net difference = 71
1/11-2/6	estimated bill					
2/6-3/9	357	203	—	7,701	252	net difference = 105

Calculation:

total revenue/billing period / per turn (39) = number of turns per period
turns per period X 918 gal/per turn = total gallons/period
gallons/period / 740 hf = consumption

consumption X 1.67 (1st tier water rate)= water cost X 3 = sewer cost + 3.69 (meter charge) = total bill.

Conservative considering the following facts:

1. Gallons based on 34/gal per machine or 918 assuming all machines operational.
2. Only 23 machines operational during this period.
3. Gallons based on billing cycle days. Business is open 6 days per week.

*This bill highly questionable - I called on this one. Total revenue for the period was only \$2,136.20 including washer, dryer and drop-off.

December 2, 2001

To:
City Councilman
Councilman at Large
Mayor Carl Hutcherson

Re: Water Rates and Personal Property Tax

Dear Sir:

I am writing this letter to ask your assistance in helping me to resolve a problem of increasing water billings that appear to be inexplicable and unfounded. As a business in this community, I am sure I represent all of the laundromats who are experiencing the same problem. Many owners have opted to sell out and get out of the business. What this has done is opened the door for the large store owners to come into the city with the "unattended" laundromat. These laundromats are dirty, rundown and drug infested. It is a haven for criminal activity. But, in order to profit, one has to reduce overhead and the only controllable expense is employees. This hurts the economy of the city. It would appear that the city's policy would be to create an environment that would attract well-run and managed small businesses as small business employ 80% of the people in this country and contribute more to the tax base in the communities in which they are located than large corporations.

I have requested on several occasions the City Water Department to come out and check for leaks. They found none. I have taken the following measures myself beginning in August.

1. Turned off water at the laundry sink. The only water available is in the bathroom For handwashing only.
2. Replaced the flapper in the toilets to conserve water - the water saver device. It Not only decreases the amount of water coming into the tank but the water pressure Is decreased also.
3. Reduced the number of gallons of water on fill by resetting the water level in My equipment.

I have seen an increase in water bill not a decrease. How do I know there is a problem? I can tell when my utilities are out of line by comparing the revenue for the same time period. My washers are computerized. I know how many cycles are run for the same time period as the

billing and I know how much revenue was generated for that period. I have seen a decrease in revenue but yet, the consumption does not reflect what is actually happening.

It is at the point where the water bill alone as a percentage of expenses is too far out of line. It is approaching 30% of expenses. It should be less than 10%.

Here is the history for 2001:

	Usage	Sewer	consumption	
Jan	162.72	434.32	122	29 days
Feb	179.10	480.60	135	32
Mar	162.72	424.32	122	28
Apr	176.58	473.48	133	30
May	194.22	523.32	147	33
Jun	159.82	418.10	113	29
Jul	154.46	403.30	109	30
Aug	126.32	325.60	88	34
Sep	212.08	562.40	152	27
Oct	183.94	484.70	131	33

The sewer rate is the problem here. My average daily usage in 2001 is \$30 per day. This compares to \$14 in 1998; \$17 in 1999; \$23 in 2000. The disturbing factor here is the income (washes) has decreased dramatically from 1998 to 2001. The increase in the bills must be a combination of the meter reads and rate increases. The total business revenue for those years decreased by \$50,000. The number of washes and therefore gallons of water has significantly decreased as you can see by the revenue.

This letter is requesting that this account be checked thoroughly. The meter reads checked and the meter replaced if no outside leaks are found. Obviously, the consistently high consumption reads are in error. I am not using that much water.

Also, I have discussed the property tax issue with Mr. Steadman. He understands the hardship it places on businesses. I had recommended a graduated scale for business property tax. My equipment is 7 years old and I am still paying taxes as if it were new. Each year the amount should decrease. He indicated this was something that has continually come up. I would encourage you as my representative to strongly recommend this change.

Thank you for your immediate response to this letter. As my representative, I believe you understand the position every small business is in at this time. Thanking you in advance.

Sincerely,

Jo Anne Bolding

